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**UNITED STATES PATENT AND TRADEMARK OFFICE**

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**Trademark Trial and Appeal Board**

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Newborn Brothers and Company, Inc.  
v.  
Dripless, Inc.

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Opposition No. 113,471  
to application Serial No. 75/095,681  
filed on April 29, 1996

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Royal W. Craig and Deborah J. Westervelt of the Law Offices  
of Royal W. Craig for Newborn Brothers and Company, Inc.

Richard L. Stroup and Andrea Anderson of Finnegan,  
Henderson, Farabow, Garrett & Dunner, L.L.P. for Dripless,  
Inc.

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Before Hohein, Chapman, and Drost, Administrative Trademark  
Judges.

Opinion by Chapman, Administrative Trademark Judge:

Applicant, Dripless, Inc., seeks to register on the  
Principal Register under Section 2(f) of the Trademark Act  
the mark shown below



for "caulking guns." The application includes the following statements: "The mark consists of the color yellow as applied to the major surfaces of the goods. The dotted outline of the goods is intended to show the position of the mark and is not part of the mark. The drawing is lined for the color yellow." The application was filed on April 29, 1996, based on applicant's claimed date of first use and first use in foreign commerce between Taiwan and the United States of December 1989. Applicant ultimately submitted evidence sufficient to persuade the Examining Attorney that the color yellow had acquired distinctiveness and identified applicant as the source of caulking guns.

Following publication of the mark, registration was opposed by Newborn Brothers and Company, Inc. As grounds for opposition, opposer alleges that it manufactures and distributes caulking guns; that since prior to applicant's use of the color yellow on caulking guns, opposer and other manufacturers of caulking guns have manufactured and distributed caulking guns in a variety of single-tone, primary colors, including yellow; that the use of single-tone primary colors (including yellow) on caulking guns is

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functional and incapable of functioning as a trademark because there is a significant competitive need to maintain a variety of primary colors to enhance the visual attractiveness of merchandiser displays and to increase sales, and for purposes of model separation; that conferring exclusive rights to the color yellow for caulking guns upon applicant will deprive opposer and other caulking gun manufacturers of the functional benefits associated with the use of yellow for caulking guns; and that the primary color yellow has not acquired distinctiveness for applicant's goods.

In its answer, applicant admits that opposer is a distributor of the identical goods, namely, caulking guns, but otherwise denies the salient allegations of the notice of opposition. Applicant raises as its affirmative defenses the allegations that opposer will not be damaged by registration of applicant's mark; that opposer lacks standing; that opposer's initiation and pursuit of this opposition is a material breach of a settlement agreement between the parties from a lawsuit in U.S. District Court in California; that this opposition is barred by estoppel and acquiescence; and that under the doctrines of res judicata, collateral estoppel and principles of equity, opposer is precluded from pursuing the opposition.

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Applicant, in support of its affirmative defenses, pled as the underlying facts thereof that on August 25, 1997 applicant filed a civil suit for trade dress infringement, Lanham Act violations, unfair competition and patent infringement against opposer in the United States District Court for the Northern District of California (Case No. C-97-3118TEH) wherein applicant (as plaintiff) alleged, inter alia, that opposer's sale and distribution of yellow drip-free caulking guns infringed applicant's trade dress rights; that on September 23, 1997 opposer (as defendant) filed an answer and counterclaims asserting, inter alia, that applicant had failed to acquire any valid or enforceable rights in the color yellow; that the U.S. District Court denied opposer's motion for partial summary judgment, finding, inter alia, that applicant had established that its trade dress was not, as a matter of law, unprotectable, and it may have acquired distinctiveness; that following the Court's decision on partial summary judgment, the parties resolved their differences through a "Settlement Agreement and Stipulation For Dismissal With Prejudice And Order Thereon" (applicant's affirmative defenses, paragraph 13); that under the Settlement Agreement the parties "mutually released each other from any and all causes of action, whether for damages or equitable relief, arising out of the subject matter of the litigation" (applicant's affirmative

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defenses, paragraph 14); that the parties filed the Stipulation for Dismissal With Prejudice with the Court, which, in turn, dismissed the case in its entirety with prejudice; and that the initiation of this opposition by opposer constitutes a material breach of the Settlement Agreement.

The record consists of the pleadings; the file of the opposed application; the testimony, with exhibits, of Peter Chang, opposer's founder and president; the testimony, with exhibits, of Dan Rumrill, applicant's president and CEO; opposer's notice of reliance on the Pantone color formula guide, and applicant's supplemental answer to opposer's interrogatory No. 7; and applicant's notices of reliance on (i) the discovery testimony, with exhibits, of Frederick Mertes, opposer's controller and operations manager, and (ii) opposer's supplemental answer to applicant's interrogatory No. 13.

The entire deposition of Peter Chang, and portions of the depositions of Dan Rumrill and Frederick Mertes were filed as confidential. However, both parties discussed much of the evidence of record in their briefs on the case, thereby waiving the confidentiality thereof. Nonetheless, the Board will exercise discretion in relating certain business matters.

Both parties filed briefs on the case, and both parties were represented at the oral hearing held before this Board.

**Evidentiary Matters**

Before considering the merits of this case, we will decide the parties' respective objections to various matters offered into evidence.<sup>1</sup> In its brief on the case, applicant reiterated the following objections to portions of opposer's record:

(1) applicant's brief, pp. 25 and 29, regarding Peter Chang dep., p. 35, the witness' answer referring to a market survey is inadmissible because (i) applicant requested such information in discovery (see e.g., applicant's interrogatory No. 16) and opposer stated "no such documents exist," and (ii) opposer introduced no supporting documentation regarding this survey;

(2) applicant's brief, pp. 25 and 31, regarding Peter Chang dep., p. 9, the witness' answer referencing Hechinger's request for caulking guns in the color blue is inadmissible because applicant requested such information in discovery (see e.g., applicant's interrogatory Nos. 5 and 6, and document request Nos. 7 and 9) yet opposer provided no information about this purported interchange with Hechinger's; and

(3) applicant's brief, pp. 26 and 31, regarding Peter Chang dep., pp. 44-47 and 86-89, that the color yellow for caulking guns is critical to the brand

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<sup>1</sup> Opposer did not renew any previous objections to testimony nor make any objections to any evidence in its main brief on the case. Thus, opposer has waived its right to object to evidence. However, for the sake of clarity of the record, we will explain the admissibility of the items objected to by opposer for the first time in its reply brief.

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images of DeWalt, Inc. and The Stanley Works, Inc. is inadmissible because (i) applicant requested such information in discovery (see e.g., applicant's interrogatory No. 10, and document request Nos. 12 and 17) and opposer provided no information regarding such interchanges with DeWalt and/or Stanley Works, and (ii) Mr. Chang's "correction" to his testimony shows that Stanley Works does not require the color yellow on caulking guns.

Opposer in its reply brief (pp. 6-7 under the heading "3. No Legitimate Evidence of Actual Confusion") objects to (i) applicant's brief-p. 17, referring to statements filed during the ex parte prosecution of applicant's application regarding consumer recognition of the color yellow as applicant's trademark for caulking guns because they were not introduced during trial; (ii) the affidavit [sic-declaration] of Dan Rumrill submitted during the ex parte prosecution of applicant's application because it cannot be evidence of the truth of the statements contained therein and must be introduced as evidence during trial under Trademark Rule 2.122(b)(2); and (iii) the testimony of Dan Rumrill (dep., pp. 58-62) regarding actual confusion because it is hearsay.

These objections to evidence will be decided seriatim.

Applicant's objection to the testimony of Mr. Chang regarding opposer's market survey is sustained for the two reasons enunciated by applicant, specifically, (i) opposer answered discovery relating to surveys with "no such

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documents exist" and did not provide the survey during discovery, and (ii) opposer introduced no supporting documentation regarding this survey.

Applicant's objection to the testimony of Mr. Chang regarding opposer's interchange with the Hechinger Company is sustained because opposer failed to produce any information on this matter during discovery in response to applicant's discovery requests which would reasonably include such information.

Applicant's objection to the testimony of Mr. Chang regarding opposer's interchanges with DeWalt, Inc. and The Stanley Works, Inc. is sustained because opposer failed to produce any information on this matter during discovery in response to applicant's discovery requests which would reasonably include such information.<sup>2</sup>

Opposer's objections to evidence submitted by applicant during the prosecution of its application are overruled. Specifically, the declaration of Dan Rumrill is properly of record on applicant's behalf inasmuch as it was

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<sup>2</sup> Even if this testimony regarding DeWalt and Stanley Works had been considered, the testimony as to Stanley Works was recanted by the witness. Specifically, Mr. Chang stated the following on page 8 of the "Errata Sheet" attached to his deposition transcript under the heading "Correction": "Where I stated that, (paraphrased) 'one of the Stanley Work's licensing requirements for the Newborn X-tender model would be for it to be painted in yellow to conform to the Stanley's corporate color', is not correct. Stanley Works does not require the color yellow under their licensing agreement...." The testimony regarding DeWalt involved the possible manufacture by opposer of a multi-component cordless power epoxy gun. (Chang dep., p. 83).

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introduced into evidence during applicant's testimony period as Exhibit 1 to the testimony of Mr. Rumrill.

Finally, opposer's objection to the testimony of Mr. Rumrill relating to instances of actual confusion is overruled. If it is otherwise reliable, employee testimony on the subject of instances of actual confusion received at the company can be admissible. See *Armco, Inc. v. Armco Burglar Alarm Co.*, 693 F.2d 1155, 217 USPQ 145, 149 footnote 10 (5th Cir. 1982) (testimony of plaintiff's employees about purchasers attempting to reach defendant admissible because it was not used "to prove the truth of the matter asserted" (Fed. R. Evid. 801(c)) or under the state of mind exception (Fed. R. Evid. 803(3)); and *CCBN.com Inc. v. c-call.com Inc.*, 53 USPQ2d 1132, 1137 (D. Mass. 1999) ("statements of customer confusion in the trademark context fall under the 'state of mind exception' to the hearsay rule. See Fed. R. Evid. 803(3)"). Because applicant's employee's testimony is not so vague as to be inadmissible, we overrule opposer's hearsay objection. However, the probative value of this testimony is lessened by its lack of specifics.

**The Parties**

Newborn Brothers and Company, Inc. (opposer) and Dripless, Inc. (applicant) are two of the limited number of major producers of caulking guns for the United States market. The other major producers are Great American

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Marketing Company, Z-Pro International, Inc., Albion Engineering Company, and Cox North America, Inc. The Home Depot and Lowe's Home Centers who distribute imported caulking guns, are also major competitors in this industry. These goods are relatively inexpensive ranging in price from \$3 to \$20 apiece. The entire caulking gun industry in the United States is small, generating about \$30 million annually; and opposer has about a 30% share of the market, while applicant has about a 5% share of this market. Given the size of the market and the nature of the product, most of these caulking gun producers focus their marketing efforts primarily on the retail store-level buyers and professional, trade industry purchasers. Opposer does no direct-to-consumer advertising.

Opposer was founded in 1974 by Peter Chang, president and sole owner, to distribute the caulking guns manufactured by a factory in Korea which he owned and managed in the 1970s. Opposer invented the smooth rod concept for caulking guns to improve on the ratchet caulking gun, and today opposer sells over 40 different models of caulking guns, including manual, pneumatic and cordless battery power.

An individual, Mr. Danny Finnegan, developed the dripless mechanism for a caulking gun, obtaining a patent

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thereon in July 1984;<sup>3</sup> and in 1992 his son Danny (having inherited the patent) assigned it to his brother Gary, who had begun in 1989 to commercialize the patented technology, painting the caulking guns in the color yellow. Dripless, Inc. was incorporated in 1992 and Gary Finnegan assigned his patent and trademark rights, as well as his inventory of yellow caulking guns, to Dripless, Inc.

Applicant sells paint sundries primarily to the painting market, with the majority of its business being caulking guns. Applicant's major retail outlets are professional paint stores such as Sherwin Williams, Duron Paints and Wallcoverings, and Kelly Moore Paints, and it also sells through chain stores such as True Value, Sevistar and Lowe's Home Centers.

**The Parties' Federal Litigation in California**

In August 1997 applicant, Dripless, Inc., (through different counsel than that representing applicant in this opposition proceeding) filed in U.S. District Court for the Northern District of California (Case No. C 97-3118 TEH) a lawsuit against opposer, Newborn Brothers, Inc., for trade dress infringement, patent infringement, unfair competition and other claims. Newborn Brothers (as defendant therein)

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<sup>3</sup> The dripless or drip-free caulking gun stops the flow of caulk immediately upon release of the trigger, unlike ordinary caulking guns on which the user must either press a thumb release (on smooth rod caulking guns) or push back the ratchet rod and pull it back (on ratchet caulking guns).

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(represented by the same counsel as herein) filed an answer with counterclaims for declaratory relief and interference with advantageous business relations. Later, defendant filed a motion for summary judgment, alleging, inter alia, that the color yellow was functional and non-distinctive. In an order dated June 30, 1998, the District Court denied the motion for summary judgment stating (p. 12) that "plaintiff has established that its claimed trade dress is not, as a matter of law, unprotectable, that the trade dress may have acquired secondary meaning, and may be likely to be confused with defendant's product." Following the denial of the summary judgment motion, the parties negotiated a "Settlement Agreement and Mutual General Release," and executed a "Stipulation for Dismissal With Prejudice" of the lawsuit. The District Court ordered the dismissal with prejudice on October 15, 1998.

Our primary reviewing court, the Court of Appeals for the Federal Circuit, has discussed the place that breach of contract assertions may play in Board proceedings. Essentially, claims for enforcement or breach of contract would generally be appropriate in court, but, the Board may consider an agreement, its construction, or its validity if it is necessary to decide the issues properly before the Board. See *Selva & Sons, Inc. v. Nina Footwear, Inc.*, 705 F.2d 1316, 217 USPQ 641, 647 (Fed. Cir. 1983). That is,

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while it is outside the Board's jurisdiction to enforce a contract between the parties, agreements to cease use are routinely upheld. See Vaughn Russell Candy Co. v. Cookies in Bloom Inc., 47 USPQ2d 1635, 1638 (TTAB 1998).

The settlement agreement itself provides that the terms are to remain confidential (except for a few matters, including what applicant may disclose to infringers or alleged infringers), and it was submitted in this Board proceeding as confidential. Therefore, the Board will not quote therefrom. However, suffice it to say that opposer contends that the settlement agreement relates only to its agreement not to sell non-drip caulking guns in certain Pantone shades of yellow (specifically 77 listed shades);<sup>4</sup> that, therefore, opposer remains free to use any remaining Pantone shades of yellow on non-drip caulking guns, as well as to use all shades of yellow on ordinary caulking guns; and that applicant's present application is overbroad because it is not limited to non-drip caulking guns and certain shades of yellow.

Applicant, on the other hand, contends that the settlement agreement involved opposer's agreement to refrain from using any of the 77 Pantone shades of yellow on any caulking guns;<sup>5</sup> that there was no limitation on applicant's

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<sup>4</sup> See particularly, paragraph 1 of the settlement agreement and exhibit 1 thereto.

<sup>5</sup> See particularly, paragraph 9 of the settlement agreement.

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right to use yellow on caulking guns; and that thus, no such limitations are required in applicant's involved application for the color yellow for "caulking guns."

There are obvious inconsistencies in the agreement, which we need not resolve here. Although opposer contends it is entitled to use other Pantone shades of yellow, it points to not even a single remaining specific shade of yellow that opposer would be allowed to use. There is nothing in paragraph 1 (or elsewhere) of the settlement agreement that indicates opposer retained any rights. In fact, opposer was specifically allowed to use up any inventory of yellow caulking guns in its possession as of the effective date of the agreement. The involved application was filed by applicant on April 29, 1996, and opposer answered and otherwise defended the California lawsuit as of September 1997, signing the settlement agreement in October 1998. Clearly, opposer knew or should have known of applicant's pending application; but, opposer apparently made a strategic decision not to require any reference at all to applicant's pending application in the settlement agreement, much less any limitations to applicant's claimed goods and/or shades of color in its pending application.

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We agree with applicant that the settlement agreement is a limitation on opposer's use, not applicant's use.<sup>6</sup> However, inasmuch as the involved application is not mentioned in the settlement agreement, we also find that the prior litigation between the parties does not create an estoppel or res judicata effect on opposer's right to oppose the application.

**The Burden of Proof**

Opposer bears the burden of proving its claim that applicant's mark is functional by a preponderance of the evidence. See *Brunswick Corp. V. British Seagull Ltd.*, 35 F.3d 1527, 32 USPQ2d 1120 (Fed. Cir. 1994), cert. denied, 115 S.Ct. 1426 (1995); and *Yamaha International Corp. v. Hoshino Gakki Co. Ltd.*, 840 F.2d 1572, 6 USPQ2d 1001 (Fed. Cir. 1988).

Applicant carries the burden of proving its asserted claim of acquired distinctiveness. "The burden of proving secondary meaning is on the party asserting it, whether he is the plaintiff in an infringement action or the applicant for federal trademark registration." 1 Gilson, Trademark Protection and Practice, §2.09, at 2-72 (1987)," quoted in *Yamaha v. Hoshino*, supra at 1006. See also, 2 J. Thomas

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<sup>6</sup> Opposer's argument that applicant has engaged in bad faith by applying to register the color yellow without restriction as to shades of yellow, and for all caulking guns without restriction as to drip-free, is not supported by the evidence.

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McCarthy, McCarthy on Trademarks and Unfair Competition, §15:66 (4th ed. 2001). In an opposition proceeding the issue of distinctiveness of an applicant's mark must be determined on the evidence as it exists at the time of trial. See *Harsco Corp. v. Electrical Sciences, Inc.*, 9 USPQ2d 1570, 1571 (TTAB 1988). See also, 2 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition, §15:71 (4th ed. 2001).

**Standing**

In an order dated March 26, 2001, the Board entered summary judgment in opposer's favor on the issue of opposer's standing. Moreover, the record establishes that opposer and applicant are competitors in the field of selling caulking guns, thereby clearly establishing opposer's standing to bring this case.

**Functionality**

Opposer contends that the color yellow applied to caulking guns "is functional, both in the aesthetic and utilitarian sense." (Brief, p. 27.) In this case opposer contends that the color yellow on caulking guns is functional because of the competitive need of other caulking gun manufacturers to make the goods in any color, including yellow. Specifically, opposer contends that customers may request caulking guns in yellow; that yellow shows up better than other colors for purposes of the visibility on the

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store shelves; and that colors are used to indicate different models.

A product feature is functional and cannot serve as a trademark if it is essential to the use or purpose of the article or if it affects the cost or quality of the article. See *TraFFix Devices Inc. v. Marketing Displays Inc.*, 532 U.S. 23, 58 USPQ2d 1001, 1006-1007 (2001); *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 34 USPQ2d 1161, 1163-1164 (1995); and *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 214 USPQ 1, footnote 10 (1982). With regard to color, the Supreme Court stated in *Qualitex v. Jacobson*, supra, at 1164:

Although sometimes color plays an important role (unrelated to source identification) in making a product more desirable, sometimes it does not. And, this latter fact--the fact that sometimes color is not essential to a product's use or purpose and does not affect cost or quality--indicates that the doctrine of "functionality" does not create an absolute bar to the use of color as a trademark. See *Owens-Corning*, 774 F.2d, at 1123, (pink color of insulation in wall "performs no trademark function").

That is, there is no question that color may be the subject of a trademark. But, if the color is functional, it is not registrable as a trademark.

Functionality is a question of fact, and depends on the totality of the evidence. See *In re Morton-Norwich Products, Inc.*, 671 F.2d 1332, 213 USPQ 9 (CCPA 1982).

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Functionality standards are equally applicable when determining whether a color for which registration is sought is functional. See *Qualitex v. Jacobson*, supra; and *Brunswick Corp. v. British Seagull*, supra.

Factors which may be considered in determining utilitarian functionality include: (i) the existence of a utility patent showing the functional advantage of the design; (ii) advertising materials showing that the utilitarian advantages have been touted by applicant; (iii) facts tending to show an absence of alternative designs; and (iv) facts from which it could be determined that the design is the result of a comparatively simple or inexpensive method of manufacture. See *In re Morton-Norwich*, supra, 213 USPQ at 15-16. As the Court of Appeals for the Federal Circuit recently stated in *Valu Engineering Inc. v. Rexnord Corp.*, 278 F.3d 1268, 61 USPQ2d 1422, 1427 (Fed. Cir. 2002), the *TraFFix*, supra, decision did not alter the Morton-Norwich analysis. While opposer contends that the color yellow on caulking guns involves utilitarian functionality, there is simply no convincing evidence thereof in this record.

There is no patent of record relating to applicant's use of the color yellow on caulking guns. Applicant's advertisements and flyers do not tout the color yellow as having any utilitarian or functional advantage in the

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operation or performance of caulking guns. Applicant's advertisements, instead, tout the "patented dripless feature" eliminating the caulk run on.

There is virtually no evidence that a particular color is required on caulking guns. Opposer's witness, Mr. Chang, testified that it is necessary to be able to utilize all colors for caulking guns for model differentiation, and because of customer requests for different colors. He also testified as to the aesthetic marketing value of yellow because it is a bright, visible color. Opposer does offer different model caulking guns in different colors (see e.g., a catalog used by opposer prior to the 1997 lawsuit filed by applicant (Chang dep., exhibit 7<sup>7</sup>), showing opposer's promotional smooth rod and ratchet caulking guns painted in green; standard smooth rod and ratchet caulking guns were in yellow or gray; professional and "do-it-yourselfers" were painted in blue, yellow, orange, red, or

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<sup>7</sup> It is difficult for the Board to assess the exhibits to Peter Chang's deposition because they were submitted as photocopies in black and white. In fact, when opposer's attorney first made reference to the exhibits, he stated the following (p. 10):

Let's get an exhibit in. Andrea, for your purposes, I made copies of these things. When I thought color was important I made color copies but some of them are black and white. If you would rather have a color copy of these things after the questions, let me know.

However, most of the exhibits to the Chang deposition were also submitted as exhibits to the depositions submitted by applicant, and these exhibits were color copies.

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black; industrial caulking guns were plated in zinc chromate; epoxy guns were black; and air guns were black and white). However, opposer has not established any utilitarian reason why different colors are used for different models, or why yellow in particular is necessary for any model.

Peter Chang also testified that a third party (Cox North America, Inc.<sup>8</sup>) offers caulking guns in a range of colors, including yellow (Chang dep., exhibit 11<sup>9</sup>). He also specifically testified that he had not actually seen any yellow caulking guns manufactured by Cox sold at the consumer level. (Dep., p. 92.) The Board cannot assess the colors shown on this exhibit as it is a black and white photocopy. Also, there is no specific evidence concerning any use by Cox North America of a yellow caulking gun in the United States. There is however, testimony to the contrary in that applicant's witness, Mr. Rumrill, clearly testified that applicant is aware of no other uses of the color yellow on caulking guns in the United States; and specifically, including no knowledge of Cox North America offering a yellow caulking gun in the United States. (Rumrill dep., p.

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<sup>8</sup> According to Mr. Chang, Cox is the largest caulking gun manufacturer in Europe. See dep., p. 92.

<sup>9</sup> Exhibit 11 (Chang deposition) is in the record only in black and white. When applicant's attorney objected to this exhibit, opposer's attorney stated "we can get the original, I suppose." (Dep., pp. 58-59.)

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70.) We are not convinced on this evidence that this third party (Cox North America) is using the color yellow on caulking guns offered for sale in the United States.

Opposer has failed to prove that producers of caulking guns have a competitive need to use the color yellow to differentiate models of caulking guns. There is certainly no convincing evidence that color(s) must be used on caulking guns to identify and differentiate between models or uses of caulking guns (for example, there is no evidence that red may be used as an emergency or safety color), or that even if color is generally used, that it must involve yellow.

Opposer also contends that customers sometimes request or demand a particular color, and opposer and others must be free to provide any color requested. However, three of the instances testified to by opposer regarding such possible situations have been excluded from the record as explained above. However, even if we considered these incidents--Hechinger's once requested blue caulking guns, and DeWalt Inc. and Stanley Works requested yellow caulking guns--, the record shows that the Hechinger request occurred about thirty years ago, and both the DeWalt and/or Stanley situations involved negotiations, but never resulted in an order, and that Stanley Works did not

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require yellow on the caulking guns.) Mr. Chang testified as to another customer ("McLambert-Duncan," a manufacturer of caulk) who requested their corporate yellow on plastic caulking guns to use in their promotional package, but Mr. Chang advised them that plastic caulking guns are not painted and could not be provided in an exact shade of yellow. (Dep., p. 44.) Opposer's controller and operations manager, Mr. Mertes, testified that he believed there might have been one "half-hearted interest or attempt" by a customer requiring yellow on caulking guns, but he believed the customer "ended up buying a different color." (Dep., p. 63.) Further, he testified that he was not aware of any instance in which a potential customer of opposer refused to purchase caulking guns because opposer did not produce the color the customer wanted. (Dep., p. 38.)

In fact, the record shows that other colors are available and are used on caulking guns. Opposer's brochure from 2000 shows the progression of opposer's caulking guns from 1974 through 2000 (Chang dep., exhibit 1; and Mertes dep., exhibit 18<sup>10</sup>), including caulking guns offered in the colors blue, gray, red, black, and orange. But there is no evidence why the color yellow is

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<sup>10</sup> The exhibit to the Mertes deposition was a color copy of this brochure.

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specifically necessary for opposer or others to use on caulking guns.

Opposer uses several different colors on its caulking guns, but it used yellow on caulking guns essentially only in 1996-1997, terminating such use following the lawsuit filed by applicant. While we are aware that opposer argues that it intends to resume use of yellow after this opposition, Mr. Mertes testified that he was not aware of any need for opposer to market any caulking guns in the color yellow. (Dep., p. 69.) Opposer contends that it used yellow on caulking guns in 1993. However, opposer's own record shows that this "use" consisted of a "Rainbow of Colors" for caulking guns for a display at the August 1993 National Hardware Show in Chicago (Mertes dep., exhibit 23). This display included a display box with several different colored caulking guns, specifically, green, yellow, blue, red and orange. This display was used by opposer once at that trade show and has not been used since the 1993 trade show. Mr. Chang explained with regard to this "rainbow of colors" display that "practically, when we tried to go out in commercial purposes, because we have three different warehouses all over the country, keeping the inventory in different colors was so expensive that the idea dropped after the show"; and "it was just too costly maintaining four or five different colors of the one model

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in three different locations. Now when we go into one centralized warehousing, this will make economics very advantageous." (Dep., pp. 35-36.) Mr. Mertes is not aware of any instance of opposer selling a yellow caulking gun to a customer. (Dep., p. 42.)

Finally, painting caulking guns yellow is not a comparatively simple or cheap method of manufacture for those goods. To the contrary, the record is clear that the color yellow is particularly more expensive and complicated to produce. Dan Rumrill, applicant's president and CEO, testified that it would be less expensive to use other colors, explaining that "We have had all kinds of problems with the color yellow. It's a difficult color to work with. Coverage in terms of getting uniformity of color is difficult. And our manufacturer seemed to have trouble getting the exact same color for us each and every batch. So there have been some problems, and there were certainly some additional costs associated with that." (Dep., pp. 12-13.) Even opposer's controller and operations manager, Mr. Mertes, testified that "yellow is a very difficult color to paint. It's very difficult to cover...." (Dep., p. 62.)

According to opposer, red and yellow are the brightest colors and are the most visible, making these the most marketable aesthetically. (Chang dep., pp. 36-37.) With

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regard to this contention that there is a need to use yellow because its visibility increases the marketing value or the aesthetics of caulking guns, it is simply not established on this record. Even if red and yellow are bright colors, this fact, standing alone, does not establish that the color yellow must be available to all caulking gun producers as a color for the involved goods in order for opposer (and others) to remain competitive. Further, there is no evidence that consumers (wholesalers or ultimate consumers) specifically prefer these bright colors for caulking guns because of their brightness making them more marketable. The fact that a product is more visible on a shelf does not make the few bright colors per se unregistrable for virtually any and all products. (See *In re Owens-Corning Fiberglas Corporation*, 774 F.2d 1116, 227 USPQ 417 (Fed. Cir. 1985)(pink for insulation). See also, *Qualitex v. Jacobson*, supra.

The traditional color depletion theory does not apply to prevent registration of applicant's mark in this case. As stated in *Qualitex*, supra, the color depletion theory is unpersuasive because "it relies on an occasional problem to justify a blanket prohibition. When a color serves as a mark, normally alternative colors will likely be available for similar use by others." *Qualitex*, 34 USPQ2d at 1165. Opposer urges that it must be able to use the color yellow

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on caulking guns, for marketability, for customers requesting certain colors (i.e., corporate colors), and for model differentiation. However, despite all these alleged competitive needs, opposer agreed as a result of litigation not to use yellow in 77 different shades. As we stated earlier herein, opposer has not pointed out a single specific shade of yellow it would be permitted to use following the litigation. Thus, opposer's reliance on the color depletion theory and aesthetic functionality is undercut by opposer's own actions in agreeing not to use 77 shades of yellow. Moreover, opposer has been in the caulking gun business longer than applicant, but apparently did not see a need to produce caulking guns in the color yellow prior to applicant's use of yellow on caulking guns.

The record before us does not establish that registration of the color yellow for applicant's caulking guns is prohibited based on competitive need. See *Brunswick Corp. v. British Seagull*, supra. The color yellow on caulking guns has not been proven to serve a functional purpose that must be available to all caulking gun producers in order for companies in this industry to effectively compete. In this case there is simply not a preponderance of evidence that yellow is a better way to color caulking guns; in fact, it is more difficult and expensive to do so. Opposer makes caulking guns in other colors and, at least

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vis-a-vis applicant, may presumably continue to do so. Nor has it been proven that competitors need to use yellow to more easily identify their products in order to effectively compete. Registration to applicant under these circumstances does not deprive competitors of any reasonable right or competitive need. Opposer did not prove that competitors need this color (or perhaps all primary colors) to effectively compete in this industry. Cf., *Kasco Corp. v. Southern Saw Service, Inc.*, 27 USPQ2d 1501 (TTAB 1993).

We find on this record, therefore, that the applied-for mark is not functional, either utilitarian or aesthetic.

**Acquired Distinctiveness**

Applicant has acknowledged that its mark is not inherently distinctive. ("Pursuant to the Examiner's Amendment issued October 30, 1998, [applicant's] application was amended to seek registration under Section 2(f). Therefore, the issue of inherent distinctiveness of the color yellow for caulking guns is not germane to this opposition." Applicant's brief, footnote 11.)

The declaration of Dan Rumrill regarding applicant's claim of acquired distinctiveness, which was submitted during the course of the ex parte prosecution of applicant's application, was also entered into the record as exhibit 1 to his testimony in this inter partes case. In the declaration, Mr. Rumrill, then applicant's vice president,

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averred that the color yellow was used to indicate the source of applicant's predecessor's (Gary Finnegan) caulking guns, and when applicant acquired the rights it decided to continue selling the yellow caulking gun; that applicant and its predecessor have marketed yellow colored caulking guns since 1989; that the yellow color is incongruous with the natural dark color of steel that many caulking guns are made of; that painting the caulking guns yellow increases production costs because a heavier coat of paint is required to cover the dark steel; that applicant has been the substantially exclusive user of the color yellow on caulking guns; that the exceptions to applicant's exclusive use were "infringements" (one by opposer resulting in applicant's federal lawsuit against opposer in California, and the other by a company called Great American Marketing, which company also stopped using yellow on caulking guns following applicant's demand therefor); that applicant offers about ten models and on all of its models the majority of the surface of the caulking gun is painted yellow; that applicant has sold several hundred thousand of its goods in the last year (1996); that sales have grown from several thousand dollars in 1990 to almost \$1 million dollars in 1996; that applicant and its single color yellow on caulking guns are well known in the industry with thousands of dealers and consumers exposed to applicant's advertising and

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promotional materials emphasizing the color yellow as indicating source of the caulking guns in applicant; that in advertising applicant refers to its caulking guns as "the yellow gun"; that applicant exhibits at trade shows promoting the color yellow as referring to applicant; and that as one of the few major marketers of caulking guns, applicant sells its goods in major paint store chains such as Sherwin Williams (over 2000 locations), ICI Paints (over 900 locations) and Kelly Moore Paints (over 150 locations), as well as to distributors who sell to retailers and major chain stores such as True Value, Servistar and Lowe's.

Attached to Mr. Rumrill's declaration were, inter alia, an article from "This Old House Magazine" featuring applicant's yellow-colored, drip-free caulking gun; letters from dealers and contractors referencing recognition of the yellow caulking gun as produced by applicant; some of applicant's advertisements featuring the color yellow; and photographs of applicant's booth at a trade show featuring yellow color.

With specific reference to the letters from consumers, we note that these are individually written, and are not form statements. Also, one is from a contractor, one is from an independent distributor and the remainder are from retailers, most of whom not only refer to their own personal recognition of yellow as indicating applicant's caulking

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guns, but also refer to their customers as associating the color yellow with applicant as the source thereof.

At trial, Mr. Rumrill, now applicant's president and CEO, testified as to further favorable media attention including being mentioned in "The Dallas Morning News," March 1996, and "The Family Handyman," January 1997. In addition, he specifically testified that both retailers (applicant's customers) and the ultimate consumers recognize and associate yellow caulking guns as emanating from a single source, that being applicant as the source thereof. There are of record copies of several advertisements and promotional materials touting the color of applicant's yellow caulking guns, e.g., "Grab the 'yellow gun' and get the job done!," Paint & Decorating Retailer, January 1999; and "If it's not yellow it's not Dripless," Paint Pro, September 2000. It is clear that applicant's letterhead stationery, its website (created in 1999), its advertisements and its point-of-sale materials all expressly reference yellow either by having pictures and/or words appear in the color yellow and/or by using one of applicant's phrases about yellow. Applicant has engaged in extensive "image" advertising and promotion stressing the color yellow in a trademark sense. This is particularly significant evidence of acquired distinctiveness. See *In re Owens-Corning*, supra; *In re Ennco Display Systems Inc.*, 56

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USPQ2d 1279, 1285 (TTAB 2000); and In re Denticator International, 38 USPQ2d 1218, 1219 (TTAB 1995).

Applicant's advertising expenditures have increased substantially from its beginnings to about \$250,000 annually; and applicant's sales of its caulking guns have reached almost \$2 million annually. Applicant also uses the color yellow and its logo on various promotional items, such as shirts, caps, and pens.

It is clear from the record that applicant achieved relatively quick success in the marketplace with its drip-free caulking gun, marketed in the color yellow. In fact, opposer obtained some of applicant's yellow colored caulking guns, and in 1995/1996 forwarded at least one to some of opposer's overseas suppliers to provide them a sample of what was in the marketplace. Opposer's use of yellow on caulking guns resulted in applicant receiving between six and twelve complaints from retailers and the ultimate consumers, involving a caulking gun not working properly (but it was opposer's caulking gun); applicant's sales representatives had to deal with applicant's point-of-sale bins filled with opposer's yellow-colored caulking guns; and Mr. Rumrill had a family member tell him he bought one of applicant's yellow caulking guns, when, in reality, it was opposer's yellow-colored caulking gun. These situations

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resulted in applicant's bringing the federal lawsuit against opposer in 1997.

In addition to opposer and Great American (discussed above), applicant has also stopped a third company, Z-Pro (who agreed to discontinue their plans to introduce a yellow caulking gun, prior to their use of yellow on caulking guns even reaching the market). As explained previously, Mr. Rumrill clearly testified that applicant is not aware of any entity other than applicant using the color yellow on caulking guns in the United States.

It is true that applicant has on very limited occasions made and sold caulking guns in a color other than yellow (some in red and even fewer in silver). (See Rumrill October 1997 declaration, paragraph 9; and opposer's notice of reliance on applicant's supplemental response to opposer's interrogatory No. 7.) However, it is clear that these situations involved the specific request for low-end models, the non-yellow caulking guns were provided in very limited numbers (red - about 600, silver - about 50), did not include applicant's drip-free technology, and no sales literature was created for the red and only one piece for the silver. These other uses of color by applicant are an insignificant fractional percentage of the caulking guns sold by applicant.

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Thus, we are satisfied that applicant's use of the color yellow as described and as used on the specific goods identified in applicant's application has been substantially exclusive and continuous; and that the color yellow on those goods has acquired distinctiveness in that it is recognized as identifying and distinguishing the source of the goods.

In sum, applicant has established by a preponderance of the evidence, considered in its entirety, that it has had substantially exclusive and continuous use of the color yellow for use on caulking guns since around 1990; that the amount of non-yellow caulking guns produced by applicant is but a fractional percentage; that applicant has expended substantial sums on advertising and promoting the color yellow for its caulking guns since around 1990; that it has achieved large and growing sales both in terms of dollars and number of units; and that purchasers recognize the color yellow for caulking guns as identifying applicant as the source of the goods. See Section 2(f) of the Trademark Act; and *Yamaha v. Hoshino*, supra.

**Decision:** The opposition is dismissed, and the application will proceed to issuance under Section 2(f) of the Trademark Act.